

Message Text

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44

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 OMB-01 CIEP-03

DRC-01 /117 W

----- 064957

R 011255Z AUG 74

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 6722

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

LIMITED OFFICIAL USE PORT OF SPAIN 1843

E.O. 11652: N/A

TAGS: ETRN, GY

SUBJ: US-GUYANA CIVAIR DISCUSSIONS

SUMMARY:

FOLLOWING IS REPORT BY USDEL ON US-GUYANA CIVAIR DISCUSSIONS HELD GEORGETOWN JULY 29-30. DESPITE USDEL ATTEMPTS PERSUADE GUYANA DEL TO PURSUE OTHER ALTERNATIVES, IT INSISTED THAT FULL AIR TRANSPORT AGREEMENT WAS NECESSARY AND THAT THESE TALKS WERE BEGINNING OF THAT EXERCISE. SUBSTANTIVE ISSUES IN SUCH AGREEMENT WERE IDENTIFIED. TALKS ENDED WITH UNDERSTANDING NEGOTIATIONS WOULD BE RESUMED BUT NO DATE DISCUSSED. END SUMMARY.

1. AT OUTSET, GUYANA DEL SAID THAT PART OF THE CONDITIONS FOR GRANT OF LICENSE TO ANY FOREIGN AIRLINE WOULD BE APPOINTMENT OF GUYANA AIRWAYS CORPORATION (GAC) AS GENERAL SALES AGENT (GSA) AND GROUND HANDLING AGENT. FOREIGN AIRLINES COULD MAINTAIN OWN OFFICES AND THEIR TICKET STOCKS WOULD BE USED, BUT SALES PERSONNEL WOULD BE GAC AND GAC WOULD RECEIVE NORMAL IATA COMMISSION OF 7 PERCENT PLUS 3 PERCENT OVERRIDE. (AT PRESENT, BRITISH LIMITED OFFICIAL USE

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AIRWAYS AND BWIA USE GAC; PANM, KLM/SLM/ALM, AND AIR FRANCE

USE OTHER GSA'S. THUS, ISSUE IS NOT USE OF A GSA, BUT GUYANA ATTEMPT TO PUT GAC IN MONOPLOY POSITION). USDEL SAID THAT UNDER NO CIRCUMSTANCES COULD US AGREE TO INCLUDE SUCH A REQUIREMENT IN AGREEMENT; IN FACT US WOULD WISH TO HAVE AGREEMENT INCLUDE LANGUAGE THAT AIRLINES FREE SELL TICKETS THEMSELVES OR THROUGH AGENTS OF THEIR CHOICE. EVEN IF THERE WERE NO AGREEMENT, WE NOTED THAT CAB WOULD HAVE TO APPROVE ANY GSA AGREEMENT OF PANAM'S AND THAT, GIVEN ATTEMPT PUT GAC IN MONOPOLY POSITION, IT SHOULD NOT BE ASSUMED CAB WOULD ROUTINELY APPROVE SUCH AGREEMENT IF REQUIRED BY GUYANA.

2. USDEL ATTEMPTED DRAW DISTINCTION BETWEEN THE FORM OF US-GUYANA CIVAIR RELATIONSHIP AND SUBSTANCE OF THAT RELATIONSHIP. RE FORMER, WE NOTED THAT THERE WAS NO LEGAL NEED FOR A FULL AGREEMENT; EACH SIDE COULD ACT (AS THEY ARE NOW IN EFFECT DOING) BY SIMPLY ISSUING LICENSES. WE SAID THAT, IF GUYANA DID NOT WISH TO APPLY US-UK AGREEMENT, IT WAS FREE NOT TO DO SO; USG WAS NOT PRESSING THAT THIS AGREEMENT BE CONSIDERED APPLICABLE. GUYANA DEL WOULD NOT, HOWEVER, SAY THAT US-UK AGREEMENT WAS NO APPLICABLE, APPARENTLY IN ORDER NOT UNDERMINE ITS POSITION THAT SOME AGREEMENT WAS NECESSARY. USDEL ALSO NOTED THAT THERRE WAS ANOTHER ALTERNATIVE TO A FULL AGREEMENT, NAMELY SOME INTERIM ARRANGEMENT COVERING IMMEDIATE REQUIREMENTS WHICH WOULD BE SILENT ON ISSUES WHERE THERE WERE SUBSTANTIVE DIFFERENCES. NHOEVER, ONLY FORM ACCEPTABLE TO GUYANA DEL WAS A FULL, NORMAL AIR TRANSPORT AGREEMENT.

3. GUYANA DEL PRESENTED A SLIGHTLY MODIFIED NEW TEXT AND USDEL PRESENTED US STANDARD FORM FOR DISCUSSION PURPOSES. NO ATTEMPT WAS MADE TO RECONCILE EDITORIAL DIFFERENCES, BUT FOLLOWING SUBSTANTIVE DIFFERENCES WERE IDENTIFIED:

- A. SINGLE VERSUS MULTIPLE DESIGNATION OF AIRLINES.
- B. PREDETERMINATION VERSUS EX POST FACTO REVIEW OF CAPACITY.
- C. SIXTY VERSUS THIRTY DAYS FOR TARIFF FILINGS.
- D. APPOINTMENT OF GAC AS GSA AND GROUND HANDLING AGENT VERSUS US "DOING BUSINESS" ARTICLE.

4. USDEL SAID IT COULD NOT COMPROMISE THESE ISSUES, IN LARGE LIMITED OFFICIAL USE

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PART FOR POLICY AND PRECEDENT REASONS, AND FOR THIS REASON FELT THAT SOLUTION WAS TO OPT FOR EITHER NO-AGREEMENT/LICENSING OR INTERIM AGREEMENT SILENT ON FOREGOING ISSUES. GUYANA DEL SAID THESE ISSUES COULD NOT BE RESOLVED NOW BUT BOTH SIDES SHOULD COMMIT THEMSELVES TO CONCLUDE A FULL AGREEMENT WHEN THE ISSUES COULD BE RESOLVED, WHICH SHOULD BE WITHIN A "REASONABLE" TIME. IN END, USDEL SAID IT HAD NO OBJECTION IN PRINCIPLE TO THIS CONCEPT. WE ACCEPTED GUYANA DEL

OFFER TO PREPARE A DRAFT JOINT TEXT WITH SUBSTANTIVE DIFFERENCES NOTED. AT GUYANA'S REQUEST, A JOINT PRESS STATEMENT WAS PREPARED, WHICH EMBASSY GEORGETOWN REPORTING SEPARATELY.

5. COMMENT: ONE THEME WAS CLEAR THROUGHOUT, NAMELY THAT IT WAS ESSENTIAL TO GUYANA DEL TO ESTABLISH THAT TALKS LEADING TO A FULL AGREEMENT WITHIN A REASONABLE TIME HAD COMMENCED. AFTER SHOWING GUYANA DEL THAT A FULL AGREEMENT IS PROBABLY IMPOSSIBLE BASED ON ITS POSITION ON ISSUES IN PARA 3 ABOVE, WE FELT IT PRUDENT TO LET GUYANA DEL HAVE ITS WAY ON THE OPTICS IT COULD NOT DO WITHOUT. ALTHOUGH QUESTION OF GSA MAY GIVE US PROBLEMS, THE STATUS QUO FOR PANAM SEEMS ASSURED FOR TIME BEING. GUYANA DEL APPEARED TO WANT TO AVOID DISCUSSION OF A DATE FOR FURTHER TALKS AND WE WERE ALSO STUDIOUSLY SILENT ON THIS POINT.
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